



House of Representatives

General Assembly

File No. 299

February Session, 2004

House Bill No. 5501

House of Representatives, March 29, 2004

The Committee on Government Administration and Elections reported through REP. O'ROURKE of the 32nd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

**AN ACT LIMITING CAMPAIGN CONTRIBUTIONS TO CANDIDATES
FOR MUNICIPAL OFFICE BY PERSONS AND POLITICAL
COMMITTEES ASSOCIATED WITH LARGE MUNICIPAL
CONTRACTORS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 9-333n of the general statutes, as amended by
2 section 14 of public act 03-241, is repealed and the following is
3 substituted in lieu thereof (*Effective July 1, 2004*):

4 (a) No individual shall make a contribution or contributions in any
5 one calendar year in excess of five thousand dollars to the state central
6 committee of any party, or for the benefit of such committee pursuant
7 to its authorization or request; or one thousand dollars to a town
8 committee of any political party, or for the benefit of such committee
9 pursuant to its authorization or request; or one thousand dollars to a
10 political committee other than (1) a political committee formed solely
11 to aid or promote the success or defeat of a referendum question, (2) an

12 exploratory committee, (3) a political committee established by an
13 organization, or for the benefit of such committee pursuant to its
14 authorization or request, or (4) a political committee formed by a slate
15 of candidates in a primary for the office of justice of the peace of the
16 same town.

17 (b) No individual shall make a contribution to a political committee
18 established by an organization which receives its funds from the
19 organization's treasury. With respect to a political committee
20 established by an organization which has complied with the provisions
21 of subsection (b) or (c) of section 9-333p, and has elected to receive
22 contributions, no individual other than a member of the organization
23 may make contributions to the committee, in which case the individual
24 may contribute not more than five hundred dollars in any one calendar
25 year to such committee or for the benefit of such committee pursuant
26 to its authorization or request.

27 (c) In no event may any individual make contributions to a
28 candidate committee and a political committee formed solely to
29 support one candidate other than an exploratory committee or for the
30 benefit of a candidate committee and a political committee formed
31 solely to support one candidate pursuant to the authorization or
32 request of any such committee, in an amount which in the aggregate is
33 in excess of the maximum amount which may be contributed to the
34 candidate.

35 (d) Any individual may make unlimited contributions or
36 expenditures to aid or promote the success or defeat of any
37 referendum question, provided any individual who makes an
38 expenditure or expenditures in excess of one thousand dollars to
39 promote the success or defeat of any referendum question shall file
40 statements according to the same schedule and in the same manner as
41 is required of a campaign treasurer of a political committee under
42 section 9-333j, as amended.

43 (e) Any individual acting alone may, independent of any candidate,
44 agent of the candidate, or committee, make unlimited expenditures to

45 promote the success or defeat of any candidate's campaign for election,
46 or nomination at a primary, to any office or position, provided any
47 individual who makes an independent expenditure or expenditures in
48 excess of one thousand dollars to promote the success or defeat of any
49 candidate's campaign for election, or nomination at a primary, to any
50 such office or position shall file statements according to the same
51 schedule and in the same manner as is required of a campaign
52 treasurer of a candidate committee under section 9-333j, as amended.

53 (f) (1) As used in this subsection and subsection (f) of section 9-333j,
54 as amended, (A) "investment services" means investment legal
55 services, investment banking services, investment advisory services,
56 underwriting services, financial advisory services or brokerage firm
57 services, and (B) "principal of an investment services firm" means (i) an
58 individual who is a director of or has an ownership interest in an
59 investment services firm to which the State Treasurer pays
60 compensation, expenses or fees or issues a contract, except for an
61 individual who owns less than five per cent of the shares of an
62 investment services firm which is a publicly traded corporation, (ii) an
63 individual who is employed by such an investment services firm as
64 president, treasurer, or executive or senior vice president, (iii) an
65 employee of such an investment services firm who has managerial or
66 discretionary responsibilities with respect to any investment services
67 provided to the State Treasurer, (iv) the spouse or a dependent child of
68 an individual described in this subparagraph, or (v) a political
69 committee established by or on behalf of an individual described in
70 this subparagraph.

71 (2) No principal of an investment services firm shall make a
72 contribution to, or solicit contributions on behalf of, an exploratory
73 committee or candidate committee established by a candidate for
74 nomination or election to the office of State Treasurer during the term
75 of office of the State Treasurer who pays compensation, expenses or
76 fees or issues a contract to such firm.

77 (3) Neither the State Treasurer, the Deputy State Treasurer, any

78 unclassified employee of the office of the State Treasurer acting on
79 behalf of the State Treasurer or Deputy State Treasurer, any candidate
80 for the office of State Treasurer, any member of the Investment
81 Advisory Council established under section 3-13b nor any agent of any
82 such candidate may solicit contributions on behalf of an exploratory
83 committee or candidate committee established by a candidate for
84 nomination or election to any public office, a political committee or a
85 party committee, from a principal of an investment services firm,
86 except that the prohibition in this subsection shall not apply to an
87 incumbent State Treasurer who establishes an exploratory committee
88 or candidate committee for any public office other than State
89 Treasurer.

90 (4) No member of the Investment Advisory Council appointed
91 under section 3-13b shall make a contribution to, or solicit
92 contributions on behalf of, an exploratory committee or candidate
93 committee established by a candidate for nomination or election to the
94 office of State Treasurer.

95 (5) The provisions of this subsection shall not restrict an individual
96 from establishing an exploratory or candidate committee for the
97 individual's own campaign or from soliciting contributions for such
98 committees from persons not prohibited from making contributions
99 under this subsection.

100 (g) (1) As used in this subsection, "municipal office" means the office
101 of chief executive officer of a town, city or borough or any other
102 elected office of a municipality.

103 (2) If a municipality awards a contract or contracts which, separately
104 or in the aggregate, have a value of one hundred thousand dollars or
105 more to a business, (A) no individual who is an owner, partner,
106 director or officer of said business, or a manager of said business who
107 has substantial policy or decision-making authority concerning the
108 administration of the contract, and no political committee organized
109 by said business, shall (i) make a contribution or contributions in
110 excess of one hundred dollars (I) to, or for the benefit of, the campaign

111 of any candidate for nomination or election to a municipal office in
112 said municipality or the campaign for nomination or election to a non-
113 municipal office by a person holding a municipal office in said
114 municipality, (II) to an exploratory committee formed by a person
115 holding a municipal office in said municipality, (III) to a political
116 committee under subparagraph (B) of subdivision (3) of section 9-333a,
117 as amended, which is established by any said candidate or said
118 candidate's agent or in consultation with or at the request or
119 suggestion of said candidate or agent or which is controlled by said
120 candidate or agent, or (IV) to a town committee for said municipality,
121 or (ii) solicit contributions on behalf of the candidate or exploratory
122 committee established by any said candidate, and (B) no candidate for
123 nomination or election to a municipal office in said municipality or
124 committee or agent of said candidate shall solicit contributions, on
125 behalf of the candidate or exploratory committee established by said
126 candidate or on behalf of any political committee or party committee,
127 from (i) any individual who is an owner, officer, director, partner or
128 such a manager of said business, (ii) any individual who is an owner,
129 officer, director or partner of a subcontractor of said business for such
130 contract or a manager of said subcontractor who has substantial policy
131 or decision-making authority concerning the administration of the
132 subcontract, (iii) the spouse of any such individual or a dependent
133 child of any such individual who resides in the individual's household,
134 or (iv) a political committee established by said business or
135 subcontractor.

136 (3) Each municipality shall keep a list of (A) businesses to which the
137 municipality has awarded a contract or contracts of one hundred
138 thousand dollars or more, and (B) all subcontractors under said
139 contracts. Said list shall be subject to disclosure under the Freedom of
140 Information Act and shall be available to the State Elections
141 Enforcement Commission. Each contract awarded by a municipality
142 shall include the provisions of subparagraph (A) of subdivision (2) of
143 this subsection as a condition of the contract. Each business to which a
144 municipality has awarded a contract or contracts of one hundred
145 thousand dollars or more and each subcontractor under said contract

146 shall maintain a list of such business' or subcontractor's owners,
147 partners, directors, officers and managers with substantial policy or
148 decision-making authority related to the administration of such
149 contracts and shall provide such list to the State Elections Enforcement
150 Commission upon request.

151 Sec. 2. Section 9-333w of the general statutes is amended by adding
152 subsection (g) as follows (*Effective July 1, 2004*):

153 (NEW) (g) The campaign treasurer of an exploratory committee or
154 candidate committee established by a candidate for nomination or
155 election to a municipal office, as defined in subdivision (1) of
156 subsection (g) of section 9-333n, as amended by this act, which
157 sponsors any written, typed or other printed communication for the
158 purpose of raising funds shall include in such communication a
159 statement concerning the contribution limit set forth in subsection (g)
160 of section 9-333n, as amended by this act.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>

GAE *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill reduces to \$100 the contribution limit to candidates for municipal office from individuals whose business has contracts with their respective municipality valued at \$100,000 or more. The bill also prohibits candidates running for municipal office from soliciting campaign contributions from individuals whose business has been awarded a contract worth \$100,000 or more.

The bill also requires each municipality to keep a list of contractors and their subcontractors who do business worth \$100,000 or more with the municipality. There will be a minimal workload increase for each municipality to keep a list of these businesses, which is not expected to have a fiscal impact.

OLR Bill Analysis

HB 5501

AN ACT LIMITING CAMPAIGN CONTRIBUTIONS TO CANDIDATES FOR MUNICIPAL OFFICE BY PERSONS AND POLITICAL COMMITTEES ASSOCIATED WITH LARGE MUNICIPAL CONTRACTORS**SUMMARY:**

This bill reduces to \$100 the limit on campaign contributions by businesses that have large municipal contracts (large contractors), their subcontractors, or their political committees (known as PACs) to candidates for municipal office in the awarding municipality, people who are currently holding office there but running for other office, or the town committee. A large contractor has municipal contracts with a separate or aggregate value of \$100,000 or more.

The bill bans the contractors or their PACs from soliciting others to contribute to the covered candidates' campaigns. It also bans the covered candidates from soliciting campaign contributions for their own or anyone else's campaign, or for a party or political committee from large contractors, or their subcontractors, families, or PACs.

The bill requires municipalities to keep a list of large contractors and their subcontractors. It requires the contractors and their subcontractors to keep a list of their owners, partners, directors, officers, and managers with substantial policy or decision-making authority related to the administration of the contracts. Municipalities and contractors must provide their lists to the State Elections Enforcement Commission upon request. The municipalities' lists are a public record, disclosable to the public under the Freedom of Information Act.

Lastly, the bill requires (1) municipalities to make the contribution limit a condition of large contracts and (2) candidates for municipal office to include it in their printed campaign contribution solicitations.

EFFECTIVE DATE: July 1, 2004

CONTRIBUTIONS

The bill lowers the maximum contribution to \$100 candidates for municipal office and people who are currently holding office there but running for other office. Currently, individuals can give candidates for (1) municipal office up to \$1,000, (2) governor up to \$2,500, and (3) other state offices up to \$1,500. And business PACs can give unlimited contributions to town committees, up to \$250 to exploratory committees, and up to \$2,000 to other PACs. "Municipal office" is the office of the chief executive officer of a town, city, or borough, or any other elected municipal office.

The new, lower limit applies to an owner, partner, director, officer, or manager of a business with municipal contracts with a separate or aggregate value of \$100,000 or more and any PAC the business establishes. Managers are covered only if they had substantial policy or decision-making authority concerning the contract's administration.

SOLICITATIONS

The bill bans candidates for municipal office and people who are currently holding office there but running for other office from soliciting a campaign contribution from large contractors; the owner, officer, director, partner, or specified manager of any subcontractor working with the contractor; the contractor's or subcontractor's spouse and dependent children living in the household; or the contractor's or subcontractor's business PAC. To be covered, the manager must have had substantial policy or decision-making authority concerning the contract's administration.

BACKGROUND

Related Bill

SB 434, also favorably reported by the Government Administration and Elections Committee, reduces campaign contribution limits by businesses with large municipal contracts to candidates for municipal office.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Report

Yea 17 Nay 0